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ECONOMIC AND INDUSTRIAL AFFAIRS
No. 1811

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INTERNATIONAL AFFAIRS

BRIEFS

CZECH HOP PICKERS TO USSR--More than 60 percent of the hop pickers produced by the Agrostroj enterprise in Czechoslovakia are exported to the Soviet Union. Every one of these Czech machines fulfills the work of 400 persons, according to information from Brno. The machines are greatly valued in hop growing regions of the Soviet Union. On the other hand, a Soviet professional periodical wrote some time ago that pickers from Czechoslovakia do not satisfy the specific conditions of hop growing in the Soviet Union. The Soviet Union is developing its own machine as a consequence. [Text] [Bonn DIE LANDWIRTSCHAFT DES OSTBLOCKS in German Vol 26 No 3624, 4 Oct 78 p 4]

CSO: 2300

BULGARIA

GOVERNMENT DECREE ENSURES BETTER WORKING CONDITIONS IN AGRICULTURE

Sofia KOOPERATIVNO SELO in Bulgarian 4 Oct 78 pp 1, 2

[Decree of the Bulgarian Council of Ministers Governing the Stabilization of the Labor Force in Agriculture, the Strengthening of the Inferior Production Units with Leadership and Executor Personnel and Expanding the Participation of Youth in Agriculture]

[Text] Agriculture in Bulgaria, particularly after the April Plenum of the BCP Central Committee (1956), has shown rapid and steady rates in its development. As a result of the consistently carried out policy of concentration, specialization and modernization of production, it has become possible to introduce industrial technologies in a number of types of production, and to overcome certain of the essential differences between the labor in agriculture in comparison with other sectors.

The great opportunities which have been created by the socialist transformation and development of agriculture in many regards are not fully utilized.

In certain regions of the nation, the migratory processes have occurred unevenly, and as a consequence of this a manpower shortage has appeared in agriculture, particularly among the young personnel. The payment of individual categories of specialists and workers in the inferior production units does not conform fully to the nature and complexity of the work performed by them. In many of the agroindustrial complexes [APK] the carrying out of sociodomestic and cultural measures in accord with the requirements of the modern way of life in the countryside has been forgotten.

For stabilizing manpower in agriculture, for strengthening the inferior production units with leadership and workers and for broadening the participation of youth in agricultural production, the Council of Ministers decrees:

Article 1. (1) The Ministry of Agriculture and Food Industry [MZKhP], the State Planning Committee, the Committee for Labor and Wages and with the long-range and annual plans are to ensure complete conditions for stabilizing manpower in agriculture.

(2) The State Planning Committee, the Committee for Labor and Wages and the MZKhP are to plan the necessary labor force for agriculture in accord with the degree of mechanization, the introduction of industrial technology and labor productivity norms.

(3) The State Planning Committee, the Committee for Labor and Wages and the MZKhP prior to 30 October 1978 are to approve the Procedure for Improving the Planning System for the Necessary Labor Force, Determining the Amount of the Average Gross Wage and the Wage Fund for Agriculture.

Article 2. (1) The MZKhP and the executive committees of the corresponding okrug people's councils [ONS] bear responsibility for providing the inferior production units in agriculture with highly skilled leaders and workers, for broadening the participation of youth in agricultural production, and for stabilizing and efficiently utilizing manpower in agriculture.

(2) The MZKhP and the corresponding okrug agriculture and food industry administrations, prior to the end of 1978, are to make an analysis of the available and required labor resources in the agricultural organizations, the branch farms, the production sections, farms and brigades, and are to propose specific measures to the executive committees of the corresponding ONS for strengthening them with the necessary leadership and workers.

(3) The executive committees of the ONS, upon the proposal of the okrug agriculture and food industry administrations, are to provide highly skilled personnel which is rich in production and organizational experience for the branch farms, the production sectors, farms and brigades, as well as experienced workers and employees as equipment operators and livestock raisers in the agricultural organizations.

(4) The necessary personnel for strengthening the inferior production units in agriculture are to be recruited predominantly from among the best specialists of the administrations of the agricultural organizations, the okrug agriculture and food industry administrations, the MZKhP, as well as from other departments and organizations.

(5) The Committee on Labor and Wages, the ministries and other departments, upon the request of the MZKhP, are to reassign for agriculture in 1979 and 1980 at least 600 engineers who have completed the Ruse VIMESS [Higher Institute for Agricultural Machine Building, and Mechanization and Electrification of Agriculture] and which are working outside the system of the National Agroindustrial Complex.

(6) The leaders of the agricultural organizations, the departments and other institutions, upon the written request of the agricultural enterprises, are to abrogate under Article 29, letter "k" of the Labor Code, the labor contracts with workers who desire to go to work in agriculture.

(7) Under the procedure of the preceding paragraph, labor contracts may also be abrogated with young specialists who have not completed the period of their assigned work. The rights and duties of the specialists are kept and their transfer to work in agriculture is considered as reassignment under the established procedure. In these instances the ministries and other departments whose system the young specialists are leaving in order to transfer to work in agriculture are obliged to give agreement to their reassignment.

Article 3. (1) The personnel which under the procedures of Paragraphs 3 and 4 of the preceding article go to work in the branch farms, the production sections, farms and brigades is paid a single remuneration amounting to 1 year's gross wage received by them, and for equipment operators, up to a year's wages under the condition that they assume the obligation to work at least 5 years in the position assigned to them. The amounts are to be paid from a specially created fund under the MZKhP. For this purpose, the State Planning Committee, the Ministry of Finances and the MZKhP are to approve a directive prior to 30 December 1978. Those who leave before the end of the contractual term as well as those dismissed because of disciplinary reasons must repay the obtained amount in accord with the unworked time.

(2) The leadership of the agricultural organizations, with the agreement of the okrug agriculture and food industry administrations, may set a higher salary for the corresponding higher positions for good-working personnel which has shown the qualities of excellent production organizers and technologists without changing the place of their employment within the limits of the set wage fund.

(3) The personnel sent into agriculture keeps its residence and the housing occupied by it.

Article 4. Young persons who have begun working in agriculture prior to induction for regular military service, for the period of service are paid 20 leva a month by the agricultural organizations where they work. The collected amounts are paid under the condition that the young people return to work in the corresponding agricultural organizations and assume an obligation to work another 5 years. The money required for this purpose is provided from the economic effect and aid fund of the corresponding agricultural organizations.

Article 5. For the accelerated introduction of scientific and technical achievements and for providing specific aid in agriculture, scientific workers, prominent specialists and highly skilled workers can be sent temporarily or on mission from institutes, enterprises and institutions to the agricultural organizations, branch farms, farms and brigades.

Article 6. The leaders of departments, institutions and organizations and their divisions which violate Point 2 of Decision No 535 of the BCP Central Central Committee and the Council of Ministers of 1973 are to be held

responsible by the bodies of the Committee for Labor and Wages under Article 32 of the Law Governing Administrative Violations and Punishments.

Article 7. The basic monthly wages of the leaders, specialists and equipment operators of the branch farms, production sections, farms, brigades and other production units in agriculture will be 30-40 percent higher than the salaries of the corresponding positions in the management of the APK, with the basic monthly wage of the leaders of the branch farms exceeding the salaries of the chairmen of the APK as set in the Unified Staff Table. This also applies to the brigades leaders and farm leaders without a higher and secondary education, but with great experience and good organizational abilities.

The names of the positions, the specific amounts of payment, and the indicators and norms for categorizing are to be set by a directive of the Committee for Labor and Wages, the Central Council of Bulgarian Trade Unions and the MZKhP depending upon the specific production conditions. The directive is to foresee a change in the specific percentage and corresponding amount and wages depending upon the contribution of the corresponding persons to improving the production and economic results and upon a rise in its efficiency.

Article 8. (1) The MZKhP and the Central Committee of Workers from Agriculture and the Food Industry prior to the end of 1978 are to approve instructions for the agroindustrial, industrial-agrarian and scientific-production complexes for the organization of labor and wages with the job-bonus system. Particular attention is to be paid to broadening the use of the job-bonus system in using the natural resources (abandoned land, pastures and so forth), the tending of animals and poultry, the working of small vegetable gardens and orchards, as well as in types of production where under the given conditions it is impossible to introduce industrial production methods.

(2) For those employed in crop raising and livestock raising an additional incentive remuneration is to be provided in kind or in value totaling up to 30 percent of the above-planned production achieved by the individual labor collectives.

Article 9. The MZKhP, the State Planning Committee, the Ministry of Public Education and the Committee for Labor and Wages before the end of February 1979, on the basis of the established demand for agricultural personnel, are to accept a program for training higher, secondary and executor agricultural personnel for the period up to 1990, in paying special attention to professions which are suitable for the use of female labor.

Article 10. (1) The Ministry of Public Education, together with the MZKhP, are to make the necessary changes in the directives and plans for admitting students, graduate students, auditors and students in the higher and secondary schools which train agricultural personnel.

(2) The higher and secondary agricultural schools are to admit predominantly young men and women who by contract assume an obligation to work in an agricultural organization within the system of the National Agroindustrial Complex for at least 10 years.

(3) In admitting students and graduate students to agricultural schools, preference is to be given to the children of employees in agricultural production and to prominent specialists and leaders in the inferior production units.

(4) The ordinary scholarships are to be doubled which are granted under contract by the agricultural organizations to the students in the higher institutions of learning and technical schools and who conclude a contract to work in agriculture.

Article 11. The MZKhP, the Committee on Labor and Wages and the Ministry of Public Education, prior to 31 March 1979, are to optimize the network of training units for the training of middle-level specialists and workers for agriculture in the aim of more fully satisfying the needs for personnel by profession and region.

Article 12. (1) The Ministry of Public Education, the Committee on Labor and Wages and the MZKhP are to make the necessary changes in the content of the training plans and programs of the higher and secondary schools and the professional training centers which train personnel for agriculture, in the aim of raising the general educational and professional-technical training of the students and bringing this into accord with the requirements of the socialist organization of labor and the needs of agriculture.

(2) The titles of agronomical engineer and zootechnical engineer will be awarded to the persons who have completed agricultural schools under the new training programs.

(3) The Ministry of Public Education, the MZKhP and the Ministry of Internal Affairs are to provide the necessary conditions for the students in the higher and specialized secondary agricultural schools to obtain training and a driver's license for motor vehicles of the "T" and "S" categories.

The State Planning Committee in the annual plans is to provide the necessary limits and numbers of agricultural machines and trucks for the agricultural schools and higher institutions of learning.

(4) The leaders of the agricultural organizations and their divisions are to provide employment for the junior specialists and skilled workers who have completed the corresponding schools and are trained for the sector. The reassignment of this personnel for work in other sectors and activities is permitted as an exception with the agreement of the corresponding agricultural organization and the okrug agriculture and food industry administration.

Article 13. The MZKhP jointly with the Ministry of Public Education and the Committee on Labor and Wages prior to 30 June 1979 are to work out a program for extending the coverage of specialists with a higher and secondary education in the forms of postdiploma training up to 1985 in the aim of improving the skills of the agricultural personnel.

Article 14. (1) The State Planning Committee, the Ministry of Public Education, the Committee for Labor and Wages and the Ministry of Construction and Building Materials, upon the proposal of the MZKhP, are to approve a program and provide funds for the accelerated construction of the appropriate physical plant for training specialists and skilled workers.

(2) The Ministry of Public Education jointly with the MZKhP before the end of 1978, is to accept a program for accelerated production and supply of the secondary vocational-technical schools [SPTU] and the vocational training centers with specialized training equipment, aids and other things for the needs of vocational training.

Article 15. The Committee for Labor and Wages, the Ministry of Public Education and the Central Council of Bulgarian Trade Unions, upon the proposal of the MZKhP, prior to 31 March 1979, are to approve new names for the jobs of persons employed in agriculture and these are to correspond to the nature of their work and to the new conditions related to the introduction of modern equipment and production methods and the progressive organization of production and labor.

Article 16. The MZKhP and the Ministry of Public Education are to approve a norm for land, equipment and animals for the secondary schools training agricultural personnel. This norm is to be used for year-round production training activities with a production and sales plan. The land is to be provided by the agricultural organizations and is excluded from their available holdings.

Article 17. (1) The leaders of the agricultural organizations are to give preference to persons who have completed technical schools and the SPTU in assigning them to the branch farms, farms and brigades where the newest production methods, equipment and organization of labor have been introduced. The youth production brigades and farms which have been set up are to be given preference in allocating funds for the introduction of industrial technologies, for modernization and reconstruction, particularly in livestock raising.

(2) The leaders of the agricultural organizations are to show constant concern for raising the authority and social recognition for the role of the brigade leader as the main figure in introducing the modern organization of labor.

(3) In the aim of attracting, retaining and acquiring organizational experience, persons who have completed agricultural technical schools can be temporarily assigned to the position of assistant brigade leaders for not

more than 1 year. After this time, with proven skilled training, they are to be appointed brigade leaders.

(4) The ministries and other departments, the ONS, the farms and the social organizations are to undertake extensive organizational and political work among the workers in the combines, enterprises, institutions and scientific institutes for a decisive improvement in sponsorship work among the agricultural organizations, the branch farms, farms and brigades.

Article 18. On the basis of the Unified System for the Comprehensive serving of the public up to 1990, the executive committees of the ONS, the MZKhP, the Committee for Culture and the Ministry of Public Education, with the approval of the Komsomol Central Committee and the Central Council of Bulgarian Trade Unions and the Central Council of the Bulgarian Union for Physical Culture and Sports, before the end of 1978, are to approve a specific program for building the physical plant for youth and Pioneer activities up to 1990. The leadership of the conurbation systems together with the leaders of the agricultural organizations on their territory, each year are to provide the necessary funds and organize the fulfillment of the program.

Article 19. (1) The MZKhP, the state and agricultural bodies and organizations are to take the necessary measures for sharply improving the use factor of the land, for converting agricultural equipment to two- and three-shift operation, for the ubiquitous introduction of standardized feeding of livestock, and for improving the organization of labor and wages, in most strictly observing the principles of economic and internal farm accountability in all production units. For this purpose the MZKhP with the aid of the corresponding scientific institutions, before the end of 1978, is to approve the following:

1. A unified procedure for introducing shift operations of the machines as the basic and qualitatively new form of organization in utilizing all the agricultural equipment;

2. A scientifically based system for improving the use factor of the land.

(2) The MZKhP, the ONS and the agricultural organizations are to make new studies for converting agricultural equipment to shift operations and these studies are to be incorporated as an inseparable part of the engineering plans and counterplans for 1979.

(3) The Ministry of Transport and the MZKhP are to work out schedules for introducing shift conditions for the operation of transport in accord with the specific conditions.

Article 20. The MZKhP together with the State Planning Committee, prior to the end of 1978, are to propose for approval by the Council of Ministers a long-range program for the production and delivery of the necessary

machines and spare parts for the complete making up of the available heavy-duty tractors and integrated production lines for crop and livestock raising. Particular attention is to be paid to rapidly increasing the degree of mechanization in raising the labor-intensive crops in mountainous and semimountainous regions.

Article 21. The State Planning Committee and the MZKhP, on the basis of the engineering plans and counterplans for 1979 and 1980 and for the following Five-Year Plan, are to provide the necessary funds and limits for the following:

1. The supplying of the agricultural organizations and enterprises with sufficiently highly productive machines, production transport, attached implements and complete production lines for the accelerated introduction of industrial methods and technology in crop and livestock raising on the basis of full mechanization and automation, in paying particular attention to rapidly increasing the degree of mechanization in raising labor-intensive crops, as well as in cattle and sheep raising.
2. Domestic buildings, proper hygiene, public amenities, water supply and electrification of the farmyards and farms, the building of machine yards for the industrial production brigades, and the improvement of labor safety and medical services in the countryside, as well as other measures which create conditions for improving female labor.
3. The providing of the required convenient and inexpensive motor transport for carrying agricultural workers from population points to the place of employment and back. For this purpose the MZKhP and the Ministry of Transport, before the end of April 1979, are to introduce the corresponding program for approval by the Council of Ministers.
4. The construction of the own housing of the agricultural organizations and branch farms for the needs of the agricultural workers, as well as the money for purchasing free housing in the villages.

Article 22. The MZKhP and the leaders of the agricultural organizations, before the end of 1978, are to create the necessary conditions for converting all the livestock raisers and equipment operators to a 5-day work week in 1979, according to the Directive for the Application of Rational Conditions and Schedules, in considering the specific working conditions in agriculture.

Article 23. The State Planning Committee, the Ministry of Domestic Trade and Services, the Ministry of Light Industry, the other economic ministries, the Central Cooperative Union and the executive committees of the corresponding ONS, with the approval of the MZKhP, before the end of March 1979, are to propose a program in accord with the General Plan for the Concentration and Specialization for elucidating the industrial activities on the territory of the agricultural organizations where predominantly the free female labor force can be employed in individual periods.

Article 24. (1) In the aim of eliminating the essential differences between labor in agriculture and industry, for each branch farm a social program is to be worked out for the development of the labor collectives. This is to encompass the opening up of boarding schools, nurseries and creches, public kitchens and dining rooms. The existing nurseries in the villages are to be converted into permanently operating, and before the end of 1980, 300 new children's institutions are to be built. The social program for children's institutions, the dormitories, student dining rooms and others are to be worked out by the okrug agriculture and food industry administrations, the public education directorates and the farm organizations.

(2) In the future in designing new projects in agriculture, without fail provision must be made for building the necessary rooms and facilities for social, domestic, cultural and public amenity measures for the labor collectives.

(3) The State Planning Committee, the Ministry of Domestic Trade and Services, the Central Cooperative Union and the executive committees of the ONS are to plan the necessary food products for the needs of the public dining rooms of the agricultural organizations from their own production and market stocks.

(4) The Ministry of Light Industry, the Ministry of Domestic Trade and Services and the Central Cooperative Union are to provide the necessary materials and manufacturing of work clothes for agricultural workers according to the models and orders made by the MZKhP.

Article 25. The executive committees of the people's councils are to give preference in allocating land in the corresponding population points for building housing for specialists, equipment operators and livestock raisers.

Article 26. Persons employed in sheep, cattle and hog raising, under the condition that they will work continuously for at least 10 years in these subsectors, are to be sold cars without a preliminary downpayment under the procedure established by the MZKhP and the Ministry of Domestic Trade and Services. Cars will be sold under the same procedure to young men and women who have won orders (under the age of 30) who have achieved high results in the other subsectors of agriculture.

Article 27. The Ministry of Public Education and the executive committees of the okrug and obshtina people's councils are to give preference in assigning places in boarding schools, nurseries and creches for accommodating the children of equipment operators, livestock raisers and young families engaged in agricultural production.

Article 28. (1) The Committee on the Unified System of Social Information, with the agreement of the MZKhP, in an annual report of the National Agro-industrial Complex is to provide information on the number of persons employed in agriculture by subsectors, age, sex and skill.

(2) In order to provide the more effective use of the labor of the brigade leaders (students, pupils, white collar workers and so forth) in harvesting and processing agricultural products, the Ministry of Public Education, the Committee for Labor and Wages and the MZKhP, with the approval of the Komso-mol Central Committee, before the end of March 1979, are to issue instructions for improving the current procedure for their labor participation. For this purpose the Committee on the Unified System of Social Information is to improve the system for reporting on brigadier labor.

Article 29. (1) The Committee for Culture, prior to the end of 1978, is to approve a program for a decisive improvement in the work of depicting life in the countryside, raising the social prestige of the agricultural professions, and for enriching and diversifying cultural life in the conurbation systems.

(2) The National Complex for Artistic Creativity, Cultural Activities and Mass Information Media, before the end of 1978, is to take measures for decisively improving the work of the mass information media in depicting the urgent problems and lasting victories of agriculture. In the program particular attention is to be given to the following: Improving the social prestige of the professions in the sector, the spiritual appearance of the builders of the modern Bulgarian countryside; increasing first-run films in the rural movie network and reducing the time for the arrival of the films in the countryside. There is to be an increase in the time allocated by radio and television to the problems of agriculture and the Bulgarian countryside as well as on the role and place of youth in their further development.

(3) The activities of the artistic and creative intelligentsia and the creative unions are to be more decisively directed toward creating significant works of literature and art on the modern Bulgarian countryside, as well as on the life, labor and everyday living of the workers and youth in agriculture. Amateur artistic activities are to be more widely developed among the rural youth. The folk creativity and the spiritual values of the rural population are to be enriched and developed. Regular visits by dramatic, musical, touring and other groups are to be increased.

(4) In the weekly radio and television programs, 1 hour is to be set aside for organizing permanent courses for improving professional and technical training of the leadership and workers in agriculture. For this purpose prominent scientists, specialists and production pacesetters are to be used as lecturers. The MZKhP and the Committee for Culture each year are to approve a subject plan for carrying out the training.

Article 30. The State Planning Committee, the Ministry of Finances and the Committee on Labor and Wages, before creating the conditions for realizing and effect from the application of this decree, in the 1979 and 1980 plans of the MZKhP are to provide the necessary funds for stabilizing the labor force in agriculture.

Transitional and Concluding Provisions

§1. The Regulation for the Categorizing of Labor in Retiring on Pension is to be amended and supplemented (DURZHAVEN VESTNIK, No 102 of 1967, amended in No 97 of 1969, No 67 of 1972, No 7, 46 and 64 of 1975) as follows:

1. In point 66, the words "transitional categories of labor" are to be replaced by the words "other sections."
2. After Section 3, a new Section 4 is to be created with the following wording:

"Section 4.

"66a. Equipment operators in agriculture and workers in cattle, sheep and hog raising may retire with 20 years employment and an age of 60 years for men and 55 years for women."

§2. (1) In Article 23 of the Decree No 5 of the BCP Central Committee, the Council of Ministers and the Central Council of Bulgarian Trade Unions of 1 February 1977 (DURZHAVEN VESTNIK, No 19 of 1977, amended and supplemented in No 96 of 1977), the following amendments and supplements are to be made:

1. In Paragraph 3 at the end the words are to be added "workers employed in cattle, sheep and hog raising";
 2. In Paragraph 4 the words "sheep herders and shepherds" are to be omitted.
- (2) The length of employment acquired on a cooperative farm by a cooperative member and recognized as the length of employment for retiring on pension under the Pension Law is also counted as the length of employment under Part II of the Labor Code.

§3. In Article 63, point 6 of the Directive Governing Additional Labor Remuneration for Unfavorable and Other Specific Working Conditions (DURZHAVEN VESTNIK, No 19 of 1977, amended and supplemented in No 96 of 1977), the words "milkmaids of cows and heifers" are to be replaced by the words "workers in livestock raising."

§4. This decree comes into force on 1 January 1979 and is to be applied in the agricultural organizations regardless of their departmental affiliation.

Sofia, 3 October 1978

10272
CSO: 2200

IMPORTANCE OF MACHINERY IN CSSR EXPORTS NOTED

Strougal Comments on Improvements

Prague ZAHRANICNI OBCHOD in Czech No 5, 1978 pp 1-2

[Article by CSSR Deputy Foreign Trade Minister Premysl Strougal]

[Text] The 15th CPCZ Congress ordered continuation of the policy of rapid development of the engineering sector and systematically adapting the production structure to the new domestic needs and changing conditions in the world. The tasks of the engineering sector during the Sixth Five-Year Plan focus on external economic relations. In the first place, exports of engineering products must be substantially accelerated. The 15th CPCZ Congress instructed the engineering sector to increase the total export volume by 72 to 74 percent during the Sixth Five-Year Plan. It is also a challenging task to achieve export competitiveness and high efficiency in those branches of the engineering sector whose products have not been exported so far although traditionally they constitute part of the engineering production program. The Sixth Five-Year Plan anticipates production in these branches but, naturally, on a higher technical level. The five-year plan stipulated that approximately 30 percent of all Czechoslovak engineering exports should be earmarked for the capitalist and developing countries with the increase amounting to 224 percent. A significant increase in both volume and rate of exports of engineering products to the capitalist states during the Sixth Five-Year Plan is imperative to meet the needs of our national economy. This also protects the fundamental trade political interests of the CSSR.

The acquisition of a major part of the funds necessary to pay for imported products and raw materials depends upon the export capability of the engineering sector. The important role of the engineering sector was reiterated at the Third Plenum of the CPCZ Central Committee which discussed independent tasks in the development of our metallurgy and engineering sector during the Sixth Five-Year Plan. The next session of the CPCZ Central Committee held recently also paid appropriate attention to the engineering sector. The tasks of the 1978 state plan approved by the Ninth Plenum of the CPCZ Central Committee on 1 December 1977 provide for the implementation of the goals and principal tasks of the guideline of the 15th CPCZ Congress specified in the Sixth Five-Year Plan.

The Ninth Plenum of the CPCZ Central Committee expresses satisfaction with the general trend in the national economy after the 15th CPCZ Congress, emphasized all important problems and referred also to the shortcomings. A very complex development of the capitalist economy reflected in the stagnation of many sectors, upward trend and slight recovery in other sectors, and explicitly crisis development elsewhere causes certain difficulties to our economy. So far these problems have been successfully solved due to the effective assistance and expanding cooperation with the socialist countries and we have been able to maintain the upward trend and high living standard in our economy.

Production continues to increase dynamically, the development of industrial production corresponds to the general goals of the five-year plan during its first 2 years.

As to foreign trade, exports of engineering products to the socialist countries increased 19.7 percent and to the capitalist states 10.2 percent in 1976 in comparison with 1975. In comparison with 1976, export to the socialist countries increased 10 percent and to the capitalist states 27.3 percent in 1977.

The 1978 tasks of the engineering sector are as challenging as they were in the first 2 years of the Sixth Five-Year Plan. Exports to the socialist states are to increase 10.1 percent and to the capitalist 19 percent in comparison with 1977. It is clear that exports of engineering products, particularly to the capitalist states, constitute the principal and decisive part of the foreign trade plan. The engineering sector accounts for 55 percent of Czechoslovak exports to the socialist countries. We have still not succeeded, however, in substantially increasing the share of engineering products in the total exports to the capitalist states, although it represents the most dynamic part of Czechoslovak exports. Exports of engineering products make approximately 29 percent of the total volume of exports to the capitalist states.

In the first 2 years of the Sixth Five-Year Plan, the engineering sector generally fulfilled the tasks assigned to it. Yet, the crisis situation on the world market of capitalist states this year has further intensified the difficulties in the sale of Czechoslovak engineering products. In the light of sharpening competition and declining demand on the markets of capitalist states, the mistakes and defects of Czechoslovak production and merchandising have become increasingly evident. It is therefore necessary, in accordance with the resolutions of the 11th Plenum of the CPCZ Central Committee, to discover and more thoroughly analyze the influences which adversely affect the fulfillment of assigned tasks, to locate the weak spots and solve the key problems, and to improve management in all respects.

If we want to achieve effective sales despite the complex situation on the foreign markets, then we must focus attention on the principal tasks which can be summed up as follows:

--to speed up the rate of technical development and innovations of engineering products;

--to increase the quality and operating dependability of those products which otherwise are of good technical standard. The production sector bears full responsibility for the solution of these problems;

--to deal with the problems of assortment and in some instances also with the total volumes of shipments of spare parts. This is becoming one of the key questions for insuring the anticipated rates of our exports for example in regard to trucks, tractors, cars and other products;

--to raise the standard of commercial and technical services both in the area of foreign trade and particularly on the part of manufacturers;

--to improve professional competence of merchandisers as well as the overall standard of merchandising. This anticipates improved knowledge of the assortment of products sold.

To put it briefly: the most important is the product, its useful properties and good merchandising.

The problems related to the exports of complete industrial plants represent a completely separate and special category in the fulfillment of tasks of the Sixth Five-Year Plan. It is becoming increasingly clear that we must focus all our attention precisely on the increased production and exports of complete industrial plants if we are to achieve the high rates of exports of engineering products. Naturally, many problems are related to this. Complete industrial plants are among the most complex and demanding types of manufacture and export of engineering products. Among the very complex tasks of both production sector and trade is achieving a high technical standard of individual components, flexible organization of complementary shipments both from the domestic production and imports, organization of assembly and putting equipment into operation within the competitive deadlines and terms of payment.

On the other hand, however, a substantially higher remuneration for mental work, know-how and experience of technical workers, designers, technological experts, manufacturers and suppliers is the definite advantage of exports of complete industrial plants over the exports of individual pieces of machinery. The share of nonmaterial shipments and services related to the export of complete industrial plants in the total price of technological equipment delivered amounts--according to foreign experiences--to 10 to 30 percent which makes these exports much more profitable.

Since it supplies all necessary components, international trade in complete industrial plants convincingly proves technical, economic and organizational know-how of the supplier country and the dependability of manufacturers.

Exports of complete industrial plants are always an important factor in external economic relations not only from the economic, but also political standpoint. It more profoundly affects the economic base of the customer's country and significantly strengthens the possibilities of long-term political and economic relations with the country in question. Our engineering sector has already achieved such a level of technical know-how and capacity to supply all necessary components that it ranks among the relatively few industrially developed states capable of guaranteeing a very demanding export of complete industrial plants.

It is a fact, however, that exports of complete industrial plants registered an absolute decline during the last five-year plan. In addition, serious problems began to appear in the fulfillment of our obligations toward the foreign countries. The dynamics of world trade in complete industrial plants considerably exceeds the dynamics of Czechoslovak exports of complete industrial plants. This means that the dynamics of the world market and other external conditions are not among the causes which limit the rate of our export of complete industrial plants. According to the expert estimates, the world exports of complete industrial plants increase by approximately 10 percent annually at current prices.

Statistical data published in foreign economic literature demonstrate a relatively high percentage of exports of complete industrial plants in the total volume of exports of engineering products by the industrially developed capitalist states. In 1971 this percentage amounted to 24.7 percent in the OECD countries, 27.7 percent in the United States, 27.1 percent in the FRG, 29.3 percent in Great Britain, 22.4 percent in France, 12.3 percent in Japan. Naturally, it is necessary to take into account a high concentration of this sector, most complex from the technical and production point of view, in a relatively small number of capitalist states. Almost 75 percent of world capitalist exports of complete industrial plants in 1971 were carried out by these five countries whose industry and engineering cadres are able to supply the required highest technical and economic standard of equipment delivered. Likewise, extensive credit and foreign exchange potential of the above industrially developed capitalist states contribute to achieving above-the-average values in export of complete industrial plants.

Despite the crisis development in the capitalist states, investments in foreign countries offer our exporters of complete industrial plants much more room than they are able to use. The principal reasons for failure to make use of existing possibilities must be seen in the gradual and intensifying inadequacy of Czechoslovak bids for delivery of complete industrial plants in terms of technical and economic standards, and in the promptness to meet technical requirements and shipping dates of the foreign markets.

The share of exports of complete industrial plants in the total CSSR exports of engineering products showed the following trend in last 15 years:

Year	1960	1965	1970	1973	1974
Share of complete industrial plants in total CSSR exports of engineering products in percentages	21.9	14.3	13.0	13.7	12.4

A relative small share of exports does not correspond to the developed production and technological base of the CSSR. More important, however, is the systematic decline of this share since 1960. Its cause is not inadequate demand on the foreign markets, but particularly the fact that the CSSR finds it increasingly more difficult to supply complete industrial plants with the competitive technical and economic parameters. These difficulties prevent us from making full use of the sales possibilities existing on the foreign markets.

It is therefore imperative that, in accordance with the principal directions of further development approved by the 15th CPCZ Congress, exports of complete industrial plants account for a larger share of exports of engineering products and insure the rates of increase in exports anticipated by the Czechoslovak economy. Although it is indisputable that the delivery--from the initial to final phase--of complete industrial plants takes 3 to 5 years and that contracts have already been signed--and not very much can be changed in them--for virtually all exports during 1978 and 1979, the production sector and foreign trade must concentrate their effort on the proper preparation of deliveries beginning 1980 and create thus a solid basis for increasing these exports.

Due to the large number of components involved in the exports of complete industrial plants, the customer-supplier relations become immensely complicated. Some problems have accumulated, particularly in regard to the complementary deliveries for the complete industrial plants, which are related to the problems of cooperation with the foreign countries. As a result, the delivery schedule of complete industrial plants is upset and their technical standard has declined.

The general contractor still does not perform his function properly and his ability to submit to the exporting OZO [foreign trade organization] comprehensive bids within the required deadlines is inadequate. Some general contractors by a comprehensive bid mean only technological equipment (for example, spinning mills), but fail to include in it construction work, power engineering and so on. It is a well-known fact that domestic subcontractors are not interested in subdeliveries in those instances, when they can sell their products under more advantageous terms such as direct export through other foreign trade enterprises or sell them to the less demanding domestic market.

In this unsatisfactory situation in the supplier-customer relations it is becoming increasingly imperative for the OZO to develop cooperation on a larger scale with the socialist and capitalist states in order to secure complementary deliveries. These imports, particularly from the capitalist states, however, render the final effect financially less profitable for the Czechoslovak national economy. On the other hand, it is a fact that cooperative complementary deliveries contribute to the higher technical standard of the delivered plant or shortening of the delivery period when domestic production is not able to make deliveries within the deadlines specified by the customer.

This solution, however, has a negative aspect because an overwhelming majority of complementary imports is carried out due to the unresolved problems plaguing the domestic suppliers. Some of these imports involve equipment of identical or even lower technical standard, while sometimes imports and exports in opposite directions take place. From the territorial standpoint, these complementary or cooperative imports primarily come from the capitalist states because capitalist firms can offer shorter delivery periods and comply more readily with the market requirements. Our foremost goal, however, must be expansion of cooperation and specialization with the socialist countries in accordance with the implementation of intentions of socialist economic integration.

Because of the high degree of the Czechoslovak economy's participation in international cooperation and large scale of complementary imports, however, most of the general contractors refuse to assume comprehensive warranties for the delivery of complete industrial plants. As a result, OZO becomes the actual supplier of complementary equipment with all consequences resulting from it, that is responsibility for the quality of equipment and shipping date including design, delivery and assembly, and putting respective equipment into operation. OZO thus actually takes over the responsibility of contractor for the industrial plant. This situation, however, cannot be tolerated in view of the fact that OZOs are neither technically, materially nor financially equipped for this form of sale of complete industrial plants.

As past experience demonstrates, it is urgent to completely solve the main problems of export of complete industrial plants and especially:

- to make more flexible and speed up the bidding procedure, and to shorten intolerably long shipping dates by adjusting them to those of competition;
- to eliminate discrepancies between contracts and economic agreements, and between the annual fund allocations and actual volume of implementation;
- to carry out deliveries of complete industrial plants in the structure and sequence appropriate to the needs of assembly and putting equipment into operation;
- to eliminate Czechoslovak industry's increasing incapability of supplying complementary components which necessitates their expensive imports, particularly from the territories with hard currency;

--to shorten delivery dates and make deliveries of all necessary spare parts;

--by proper planning and in cooperation with the production sector, subcontractors and merchandisers, to insure and increase exports of complete industrial plants beginning 1980.

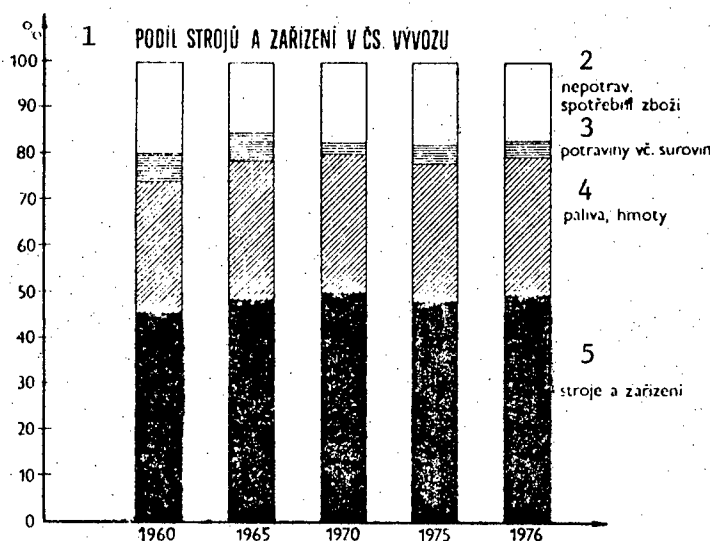
The common goal of all organs and organizations participating in the maintenance of Czechoslovak economic relations with foreign countries must be achieving a permanent surplus of exports over imports, rendering our foreign trade more profitable and the most effective participation of the Czechoslovak national economy in international division of labor.

Virus on Machinery Exports

Prague REVUE OBCHODU/PRUMYSLU/HOSPODARSTVI in Czech No 6, 1978 pp 62-64

[Article by Engr Miroslav Virius, CSc, Czech Planning Commission]

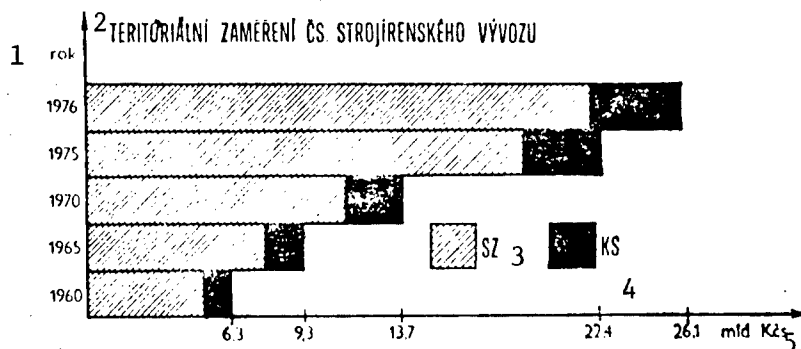
[Text] After the establishment of the socialist social system in Czechoslovakia, the CPCZ paid attention to the development of engineering production including its raw materials base as the precondition for building a socialist economy. The task of the engineering sector was to insure a permanent source of development of productive forces, defense capability of the country and to create a key production sector for foreign trade which would meet the needs of socialist countries in the rehabilitation and building their economy.



Key to Graph 1

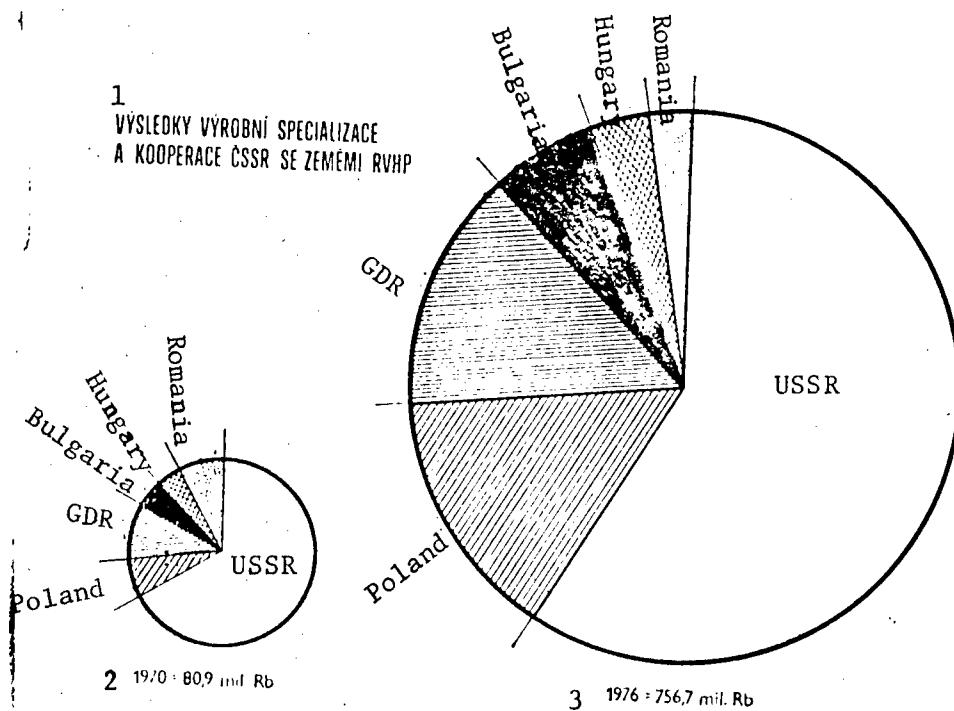
1. Share of machinery and equipment in Czechoslovak exports
2. Nonfood consumer

3. Food articles including raw materials
4. Fuels, materials
5. Machinery and equipment



Key to Graph 2

- | | |
|--|-----------------------------|
| 1. Year | 3. SZ - socialist countries |
| 2. Territorial orientation of Czechoslovak machinery exports | 4. KS - capitalist states |
| | 5. Billion Kcs |



Key to Graph 3

- | | |
|---|--------------------------------|
| 1. Results of production specialization and cooperation of CSSR with CEMA countries | 2. 1970 - Rubles 80.9 billion |
| | 3. 1976 - Rubles 756.7 billion |

Increase in Engineering Production and Its Orientation

These intentions were reflected in the task formulated by the Ninth CPCZ Congress--to increase production in the metal-working industry by 93 percdnt. The 10th CPCZ Congress directed attention among other things to the increase in production of highly efficient machinery, instruments and equipment for mechanization and automation of agricultural operations particularly for cultivation purposes in the SZ [socialist countries]. Moreover, manufacture of measuring instruments then in short supply and new standardized anti-friction bearings was expanded.

The Third Five-Year Plan set the tasks for the stabilization of production programs, increased production of heavy engineering, equipment for chemical industry, power sector, metallurgy, electric and diesel locomotives, machine tools and forming machines, tools, castings for agricultural machines and consumer goods.

The Fourth Five-Year Plan ordered accelerated production in technically progressive sectors, for example, elements for semiconductors, gas turbines, machines for information processing, cars, diesel locomotives, components for electronic products, machinery for textile industry and so on.

The Fifth Five-Year Plan represented a radical qualitative change in the formulation and implementation of tasks. With its share of 30.8 percent, the engineering sector became the principal industrial sector with a fully developed structure and the most rapid production increase. The beginnings were made for structural changes and introduction of development programs. The structure and technical standard of engineering products improved.

The guideline for the Sixth Five-Year Plan, in accordance with the resolutions of the 15th CPCZ Congress, set the task of increasing production by 40 percent in heavy engineering and by 43 percent in general engineering, improving technical and economic standards of production, increasing exports while achieving higher efficiency, better quality and higher dependability of products, and continuing in the implementation of structural changes in production.

In 1976, Czechoslovak industrial production increased 10.7 times and engineering production almost 23 times in comparison with 1948.

The share of the engineering sector in industrial production increased from 12.5 percent in 1948 to 33.3 percent in 1976. Its share in production of the national income increased from 10 percent to 20 percent during the same period.

Position of Engineering in Czechoslovak Exports

The average annual rate of increase in Czechoslovak exports of machinery and equipment was 8.7 percent during the 1960-76 period but in fact 11 percent during the 1970-76 period.

If we follow up the position of machinery and equipment within the entire commodity structure, we notice a distinct tendency toward an increase in the share of this group and a permanent decline in the share of fuels, raw materials and food items, and to a considerable extent a stagnating share of consumer goods in exports. The share of machinery and equipment in total Czechoslovak exports increased from 20.3 percent in 1948 and 45.1 percent in 1960 to 50.1 percent in 1976.

The engineering sector has become the main source of foreign-exchange supply in Czechoslovak exports. This is evident from the comparison of results of trade balance of individual commodity groups (in million Kcs).

	1960	1965	1970	1975	1976
Total trade balance	820	115	700	-4065	-3859
including:					
machinery and equipment	3435	3627	4841	3697	5651
fuels and raw materials	-2872	-3505	-3454	-9540	-11 058
food including raw materials	-2139	-2205	-2897	-2695	-3919
nonfood consumer goods	2393	2188	2254	4465	5474

Czechoslovak Exports of Engineering Products by Territories

Machinery and equipment exported by Czechoslovakia to the socialist countries were the decisive factor both in the volume and rate of mutual commodity exchange in 1976:

Share of Engineering Products in Czechoslovak Exports to Socialist Countries (In Percentages):

USSR	58.3	Hungary	47.4	Bulgaria	61.8	Vietnam	60.1
GDR	57.8	Yugoslavia	37.0	China	68.8	Mongolia	46.5
Poland	65.2	Romania	47.8	Cuba	56.4	Korean People's Republic	46.4

Share of socialist countries in the total Czechoslovak exports of machinery and equipment and the balance of Czechoslovak engineering with the socialist countries.

	1960	1965	1970	1975	1976
Exports of machinery and equipment in percentages	81,8	84,3	82,4	83,4	85,0
Balance of engineering exports in million Kcs	2691	3097	5112	4740	6951

Most exports of machinery and equipment are backed up by long-term and credit agreements. Products manufactured on the basis of contracted specialization and cooperation occupy an important place in this respect.

Results of Production Specialization and Cooperation of CSSR With CEMA Countries

According to the FSU [Federal Office of Statistics], the volume of Czechoslovak exports of machinery and equipment resulting from specialized and cooperative production showed the following trend in relation to the CEMA countries:

	1970	1975	1976	1975/70	1976/70	1976/75
	In million of transferable rubles			index		
CEMA countries, total	80,9	351,0	756,7	162,8	935,4	215,6
including: USSR	54,6	180,0	440,0	329,7	805,9	244,4
Poland	4,4	62,9	114,1	1429,5	2593,2	181,4
GDR	9,2	68,0	109,4	739,1	1189,1	160,9
Bulgaria	4,2	19,3	48,5	459,5	1154,8	251,3
Hungary	2,8	13,7	29,8	489,3	1064,3	217,5
Romania	5,7	7,1	14,9	124,6	261,4	209,9

In 1976, the share of specialized production amounted to 58.1 percent of exports to the USSR, 15.1 percent to Poland, 14.5 percent to the GDR, 6.4 percent to Bulgaria, 3.9 percent to Hungary and 2.0 percent to Romania. The volume of exports of machinery and equipment manufactured on the basis of agreements on multilateral cooperation reached rubles 463.1 million and rubles 293.6 million within bilateral cooperation in 1976.

The CSSR participated in 70 multilateral and 100 bilateral agreements in 1977. The share of specialized products in the Czechoslovak exports of engineering products is to exceed 23 percent by 1980 as compared with 12.7 percent in 1973 and 16.6 percent in 1975.

The dominant position of machinery and equipment in the Czechoslovak exports to CEMA countries is reflected in the multilateral agreements on specialization and cooperation:

--in the manufacture of machine tools and forming machines where the CSSR accounts for 32 percent of the volume of specialized production;

--in the manufacture of trucks with a carrying capacity over 12 tons where the CSSR obtained from MIB [International Investment Bank] a credit in the amount of rubles 77.5 million for expanding production capacities (this represents an increase of more than 80 percent in comparison with the Fifth Five-Year Plan);

--in shipbuilding where the CSSR is to build 10 ships for river navigation 9 of which are designed for the USSR;

--in the manufacture of diesel locomotives which includes delivery of 1,350 locomotives to the USSR during the 1976-80 period. The agreement stabilizes the production program and provides for more efficient production in larger series;

--in the manufacture of construction and highway machinery which leads to the large series production of swivelling hydraulic loaders particularly for the USSR and provides for imports of various construction machines at the same time.

Position of USSR in Czechoslovak Exports of Engineering Products

The decisive importance of the USSR for the Czechoslovak engineering sector is evident among other things from the fact that the CSSR exports to the USSR approximately 13 percent of all machinery and equipment manufactured in the country. Czechoslovak exports of engineering products to the USSR are to increase 68 percent during the Sixth Five-Year Plan over the level of the previous five-year plan, and the share of the USSR in the total Czechoslovak exports of engineering products is to reach 31 percent. The share of products exchanged between the CSSR and USSR on the basis of specialization and cooperation agreements is to account for 26 percent by 1980 as compared with 13 percent in 1975.

The two countries have signed agreements, for example, on cooperation in the manufacture of equipment for nuclear power plants, in the development of a uniform series of asynchronous electric motors, on specialization and cooperation in the manufacture of machine tools and forming machines, pumps, compressors and cooling equipment, highway and construction machines, equipment for production of building materials, instruments, automation devices and control systems, tractors and agricultural machines, equipment for food industry and so on.

Cooperation With Other CEMA Countries

Specialized engineering products account for approximately 30 percent of the CSSR foreign trade with the GDR. The share of products manufactured on the basis of specialization agreements and exchanged between the CSSR and GDR should account for 40 percent by 1980 as compared with 20 percent in 1975.

In heavy engineering there is in effect, for example, an international agreement on the manufacture of large crankshafts and their deliveries to the GDR to satisfy their needs. For this purpose, the GDR granted a credit for expanding production capacities in VZKG [Klement Gottwald Iron Works in Vitkovice] Ostrava. During the 1976-80 period, the CSSR will deliver over 1,000 streetcars to the GDR and will import from it over 900 railroad passenger

cars. A similar specialization agreement applies to lifting and transportation equipment, products of high voltage electrical engineering and so on.

In general engineering, there is a common conception of the development of agricultural equipment. Agreement has been reached also on the division of labor in the manufacture of machinery for the textile industry in which the CSSR develops and manufactures machinery for spinning and the GDR machinery for the preparation of sliver.

In the heavy engineering sector, 21 agreements with Poland on economic cooperation were in effect during the first half of 1977. They amount to approximately 300 million rubles in value and account for almost one-third of the total exchange of machinery and equipment with Poland during the 1976-80 period.

In general engineering, 12 specialization agreements were in effect as of 30 June of 1977.

Specialized production accounts for 27 percent of Czechoslovak exports to Bulgaria. The most important is the agreement on specialization in the manufacture of electric carts and pulleys, other agreements cover the area of electronic computers, metal-working machines, measuring instruments and tools, agricultural mechanisms and so on. Important is the agreement on cooperation in automobile industry between the Liberec automobile works and Madara enterprise at Sumen. The value of production will exceed 100 million rubles during 4 years.

The share of specialized and cooperative shipments between the CSSR and Hungary is approximately 26 percent. Cooperative relations are maintained on the priority basis in the manufacture of cars whose value will reach 450 million rubles during the 1976-80 period. Cooperation agreements cover also manufacture of construction and highway machinery, agricultural machines, electronic components, computers and products of low-voltage electrical equipment. An important agreement has been signed also on cooperation in the manufacture of machine tools.

Specialization and cooperation between the CSSR and Romania involves particularly metallurgical equipment, front-wheel drives for tractors, machine tools, feeding filling lines, pivotal tables, automatic lines for manufacture of screws and so on.

Export of Engineering Products to Capitalist States

The Sixth Five-Year Plan calls for a considerable increase in Czechoslovak exports to the capitalist states. A complex problem is the increase from 12 to 17 percent in the export of complete industrial plants to these countries. The difficulty lies in the limited size of economic production units, the need to raise the technical standard and quality of products involved, shortening of delivery periods and so on.

	1960	1965	1970	1975	1976
Exports by Czechoslovak engineering plants to capitalist countries in percentages	18,2	15,7	17,6	16,6	15,0
Balance of engineering exports in million Kcs	744	530	-271	-1043	-1300

If we compare the share of machinery and equipment in the exports to the industrially developed capitalist states (VKS) and developing countries (RZ) in 1976, their high percentage in the exports to the developing countries unambiguously stands out. In regard to the developed capitalist states on the other hand, this share is only within 5.6 to 28.5 percent. This applies particularly to the European states in the EEC [European Economic Community].

Share of machinery and transportation equipment in Czechoslovak exports to selected capitalist states in 1976 (SITC classification, group 7) in percentages:

Selected Capitalist States

FRG	9.6	France	28.5
Austria	6.4	Italy	23.4
Great Britain	27.3	Netherlands	19.2
Switzerland	6.6	Belgium & Luxemburg	15.9
United States	23.9	Sweden	25.9

Developing Countries

Egypt	54.7	India	74.4
Brazil	76.0	Libya	75.9
Iran	59.3	Turkey	51.9
Iraq	74.3	Peru	90.2
Syria	72.3	Singapore	24.5

The share of machinery and equipment in the Czechoslovak exports to VKS increased from 14 percent in 1965 to 16.6 percent in 1976. This tendency corresponds to the Guideline for the Sixth Five-Year Plan.

One of the ways to the fulfillment of these tasks in relation to VKS is the increase in industrial cooperation on the enterprise level. To achieve this goal, conditions are created in the area of interstate contracts, adjustment of and increase in economic incentives and so on. Apart from the crisis phenomena on the markets of VKS, however, Czechoslovak exports encounter a number of artificial obstacles such as quotas, discontinuation of liberal policies, strict application of norms and standards, custom duties

imposed on exports and so on. Even the relations with VKS are governed by the principle of mutual advantages and scientific-technical and production-trade cooperation benefiting both parties.

In relation to RZ, the share of machinery and equipment in Czechoslovak exports shows an upward trend. The CSSR remains for RZ an important supplier of engineering products and equipment, and a customer for their raw materials, semifinished and in recent years also finished products. The CSSR supports the development of political and economic independence of RZ and building of their national industry.

Additional possibilities for achieving these goals are offered by the intensification of socialist economic integration and the resulting cooperation between CEMA countries and RZ in big projects on the basis of new forms of cooperation.

Anticipated Exports of Machinery and Equipment After 1980

In the period after 1980, attention is focused on big cooperation and specialization projects which will result in larger series production, reduction of production costs, savings in social labor and investments, and which aim at the long-term satisfaction of needs of the CSSR and its trade partners. The conditions for the implementation of these tendencies are offered particularly by the domestic market of the USSR and other CEMA countries. A positive contribution to these efforts is the CSSR participation in the preparation of long-term target programs of cooperation between CEMA countries for the engineering sector.

The target programs in the engineering sector up to 1990 aim at satisfaction of Czechoslovak needs for raw materials and fuels, and cooperation in production, science and technology. The target programs speed up also the process of equalization of economic level of CEMA countries.

In addition to the target programs, bilateral negotiations are conducted between the CSSR and CEMA countries within the coordination of national economic plans for the 1981-85 period.

These facts indicate that the Czechoslovak engineering industry and its further effective development objectively required a planned transition to the higher forms of international socialist division of labor such as specialization and cooperation, joint planning and target programs following from the implementation of the Comprehensive Program of Socialist Integration.

This at the same time proved the correctness of tentative plans drawn 30 years ago for Czechoslovak engineering as the basic production sector which is to insure full development of the socialist economy including permanent increase in labor productivity, efficiency, application of scientific and technical achievements, and promote the dynamic development of cooperation with the socialist and particularly CEMA countries.

CZECHOSLOVAKIA

RELOCATION OF RAILROAD TRACKS

Prague HOSPODARSKE NOVINY in Slovak No 28, 14 Jul 78 p 2

/Commentary by Eng Jozef Hudec, staff member of the CPCZ Central Committee/

/Text/ The dynamic growth of our national economy places great demand on the development of basic industries, mainly those industries involved in the development of energy-bearing and raw materials resources. In this regard the North Bohemia Kraj plays a vital role in our economy. It is the fuels and energy base of the republic. It contributes decisively to meeting the needs of the national economy for solid fuels, and it produces one-third of the republic's total electric power output.

But it is not enough just to take coal out of the ground. It has to be shipped to the point where it is going to be used. Therefore, work on the construction of relocated railroad tracks in this kraj is just as important to maintaining the steady and dynamic pace of economic growth as the actual mining of brown coal. A similar pace must be kept up in order to also complete work on the construction of housing stock, public works, and utilities installations to replace that which had to be demolished in order to clear the way for the further progress of coal mine working faces. At the present site of the Most mine it was essential to demolish the old town section of Most and to relocate streets, railroad tracks, and the express train right-of-way. A large proportion of the newly built housing projects and industrial plants is already in use. However, some of this construction work is lagging behind planned schedules. Work on the construction of a new channel for the Bilina River and on the re-siting of the Drinov reservoir is being held up. But the most complex problems are concentrated primarily in that area of capital construction associated with work on the relocation of railroad transportation lines.

Notwithstanding all of the past successes that have been achieved in this area by builders and transportation workers, it needs to be said that the present rate of progress on some building projects does not correspond to the urgency of general social needs, since it is not laying an adequate groundwork for the successful completion of construction work within the deadline set by the government.

The most complicated and most time-consuming problems are posed by the situation along the engineering systems corridor in Most, followed by problems associated with phase two of the relocation of the CSD [Czechoslovak State Railroads] Chomutov-Prunerov line, phase two of the temporary relocation of the CSD Trebusice-Chomutov line, and phase two of the final relocation of the CSD Trebusice-Chomutov line. The most important contractors working on these relocation projects at the present time are the Engineering Construction VHI of Bratislava and its subordinate Highways and Railroad Construction Enterprise of Prague (SSZ).

Work is under way on the construction of the so-called "Trebusice departure tracks" (an integral part of the Most rail traffic corridor) which fan out from the much publicized Most Railroad Station. This new project involves the construction of a rail line that is approximately 4 kilometers long, along which roughly 20 kilometers of track and around 30 switches are supposed to be laid. This construction work was supposed to have been completed by the end of June. But since the management of SSZ (at its Usti nad Labem branch plant) did such a poor job of organizing the project schedule, there was a danger that the target date for the completion of the project would be postponed for a long period of time. Help was clearly needed. And this assistance was very efficiently rendered by the Transportation Construction national enterprise of Olomouc. Since time is a limiting factor on this construction project, an ongoing and effective program of work collective rotations has been set up to enable socialist labor brigades to work on Saturdays and Sundays, and the quality of their work has also been exemplary. The extended target date for the completion of the project, for which the "Usti nad Labem boys" were to blame, was moved ahead thanks to the efforts of the workers from the Olomouc Transportation Construction enterprise, and on 15 July they will turn the project over to the Rail Transportation Automation national enterprise (AZD). This is a deadline which moreover will make it possible for AZD to turn the line over to the railroads for regular use by the planned deadline of 15 November and thereby make it possible as well for coal to be shipped by rail from the Most mine to other areas of our republic.

Another no less important construction project in this area involves phase two of work on the relocation of the CSD Chomutov-Prunerov line. The planned deadline for the opening of this line is 30 September. This line is approximately 13 kilometers long. Five SSZ plants are working together on this project. Noteworthy successes are being achieved mainly by collectives from the SSZ plants at Karlovy Vary, Cesky Brod, and Hradec Kralove. Even though the construction workers working on this project have racked up a good performance record, their record is still marred by the postponement of the target date for the completion of the project by one month. It is therefore necessary to mobilize additional capacities to give them a helping hand.

The current status of the work schedule requires that this construction project should have a full-time investor. The investor, CSD in this case,

must take a more businesslike approach to fulfilling its role as a managerial and coordinating factor. As even greater effort needs to be made to consolidate construction worker collectives, to hold same-day performance evaluation conferences, and to spell out tasks that will contribute to the plan's fulfillment. This is the only way in which it will be possible to bring this project to a successful and timely conclusion.

Phase one of the CSD Trebusice-Chomutov line relocation project should be completed in time for this line to go into service by the end of this year. Work on the construction of this line is being carried out by SSZ in cooperation with enterprises of the North Bohemia Brown Coal Mining Fields VHI (SHR). Before work on this project can be completed SHR will have to transfer another 190,000 cubic meters of earth, and still another 370,000 cubic meters of earth will have to be excavated by SSZ. To do this, however, more people are needed, but what is most needed is machinery, its better utilization, and good work scheduling. The satisfaction of these needs will thus serve to insure the successful completion of this project and the opening of the new line for regular service.

The contractors working on phase two of the project involving the final relocation of the CSD Trebusice-Chomutov line are the SSZ plants at Karlovy Vary, Usti nad Labem and Prague. This project is supposed to be completed in 1982, and the newly built line will be 13 kilometers long. This line is slated to open for service in 5 years, but right at the very outset work on this project has been marked by a lack of planning on the part of the investor. In light of what happened during construction work on previous line relocation projects it is desirable that the investor, CSD, should already be exercising firm control over this construction project so as to prevent a recurrence of the situation that developed as a result of the poor scheduling of the Trebusice departure tracks project. In order to make this construction work go more smoothly immediate action should be taken to greatly speed up the formulation of investor plans so that contractor organizations will be able to do their work at a more steady pace.

The extraordinary efforts which have had to be made in recent months to speed up work on the construction of the three CSD track line relocation projects, which are of such exceptional importance to our national economy, guarantee that the final deadlines for their opening for service will be met within the time allotted. The opening of these relocated lines for service will make it possible to maintain a steady flow of coal supplies to the other areas of our republic and to lay the groundwork for the sustained normal growth of our economy. But this still calls for a great deal of dedicated work. It will be especially important in this connection to take full advantage of the summer months and of the temporary assistance of university student brigades. There are many instances, mainly in the construction industry, in which the summer season and the redoubled efforts of construction workers made it possible to avert an apparently critical situation. But this has always required the mobilization of all forces and resources with a view to the attainment of the ultimate objective. The same approach has to be taken when it comes to the completion of construction work on the relocation of rail lines in the North Bohemia Kraj.

Work on the construction of relocated track lines in the North Bohemia Kraj has also borne out the challenging nature of the workload confronting management personnel. This work is testing the skills and dedication of many of those who are responsible for the organization of capital construction processes. For this reason, the new management team of the Engineering Construction VJH of Bratislava cannot afford to overlook or to avoid drawing appropriate conclusions concerning the irresponsible and careless actions of some of the top management workers of the Highways and Railroads Construction national enterprise plant at Usti nad Labem with respect to construction projects that are of the utmost importance to society as a whole. Indeed, a potentially very adverse situation was prevented from interfering with work on the relocation of CSD rail lines solely owing to the deep understanding of overriding general social interests on the part of other national enterprises and plants in the construction industry.

With the construction work completed, work teams from the national enterprises Railroad Transportation Automation and Railroad Electrification are already getting to work on all of the above-mentioned line relocation projects. The construction workers left them virtually no extra time in which to do their job. But these are experienced and well-organized work teams, whose efforts will guarantee that the final deadlines set for this year will be met.

11813

CSO: 2400

CRITICISM OF RAILROAD WORKERS

Bratislava PRAVDA in Slovak 20 Sep 78 p 2

/Commentary by Ivan Salgovic/

/Text/ It always has been and still is a valid rule to live by which holds that whoever sets out promptly to fulfill his duties as vigorously as possible and by harnessing all of the intelligence, skill, and organizational talents at his command already has his job half done. In so doing a person will have taken the first step toward realizing the goals that were assigned and planned, toward achieving success. True, it is not enough merely to make a good start, rather it is also necessary to follow through and to bring the work that was begun to a successful conclusion. And, conversely, a bad start usually gives rise to crash programs, and by the same token undue haste sows the seeds of failure. In the latter event a factory will then be literally inundated with a work overload and will start to look for ways to make up for lost time and, as often as not, to cover up its mistakes, to find excuses for the inexcusable.

All of this fully applies to railroad workers too, even though it is not our wish to call into question their past performance record. They started off the new year in good form and with unusual enthusiasm. The nearly 10,000 railroad cars which they loaded daily during January is the greatest January output record in the entire history of the Eastern Railroad. They did a good loading job in subsequent months as well, although they did not always break any records. This year's leading platform traffic was also hit by the normal slowdown that occurs at the start of the summer season, as has always been the case heretofore. Nor was there any halt to the downturn in the number of on-loaded and off-loaded freight cars during July. However, railroad workers have by now grown more or less accustomed to this kind of "slack period." But then again most plants are operating on a summer vacation work schedule, and there are also fewer people working in offices and stores. But nothing out of the ordinary would have happened if, as has been the case in the past, there had been a pick-up in activity on railroad loading platforms during August. However, the number of loaded freight cars during August began to seriously lag behind the provisions of the economic plan. Day after day went by, and the railroad workers' backlog of unloaded

goods and freight, which they were supposed to be shipping to consumers on a regular basis, kept increasing. By the end of August this backlog had piled up to the point where it amounted to 13,797 unloaded freight cars, which in terms of weight amounts to 189,959 tons of unshipped freight. Railroad workers also failed to meet certain other performance indicators which they had met in the past and even during the earlier months of this year, thereby racking up a good work record for operational divisions. While in August of last year they loaded an average of 9,866 railroad cars daily, they loaded an average of 533 fewer cars this year. The only performance parameter which they consistently surpassed was the tare weight target for freight cars. For example, at the end of the summer they surpassed this target by 0.44 tons.

Why did the railroad workers, after having gotten off to a good start even during August, cease to fulfill their planned tasks? During August there was not a single operational division which succeeded in fulfilling its loading plan. The on-loading shortfall in Kosice amounted to 34,882 tons, 31,430 tons in Zvolen, and as much as 70,709 tons in Bratislava. As of the present date, for example, the operational division in Zvolen is in debt to the national economy to the tune of 100,000 tons of unloaded freight. Instead of the planned freight car turnaround time of 1.73 days, the actual turnaround time was extended to 1.81 days. Turnaround times are getting longer even for loaded freight cars in transit. Empty freight cars often have to wait idly in stations for shippers to arrive, clogging tracks and slowing down the unloading time for other arriving freight trains.

All of these facts, regardless of to whatever extent they are isolated instances or part of a larger complex of contributing factors, have served to make the present situation more difficult. During the closing months of this year the railroad workers will have to load another 22 million tons of freight. This is no small amount, especially in light of last year's experience when railroad workers managed to ship something in excess of 21 million tons of freight between September and December only by dint of redoubled efforts on everyone's part. This is why it is essential for us to work harder and to harness all untapped resources right now so that we do not ring in the New Year with the same negative balance sheet that prevailed as of the beginning of September.

It is especially necessary to insure the uninterrupted and intensive shipment of priority freight, primarily coal and other fuels, so that it promptly reaches all consumers and every household. A more consistent effort needs to be made in order to upgrade the system and the quality of the management of all loading platform operations. It will also be important to make sure that all train dispatchers are kept well informed as to actual, current conditions in train stations, the status of freight trains, and so on. Immediate steps should be taken to disabuse railroad workers of the habit of filling out incomplete, misrepresented, and often false reports on loading and unloading operations, train repairs, and the causes of sub-standard work at specific train stations and loading platforms. Many station

masters need to be admonished not to evade their duties to submit thorough reports on the status of railroad operations. They must be urged to attach greater importance to the substance rather than to the form of dispatches and reports. After all, when this kind of distorted information is furnished even to the management of the Eastern Railroads Administration, it stands to reason that many tasks are often going to be duplicated and repeated and that there will be considerable delays before the orders and appeals issued by the highest party and state organs finally reach those who are supposed to act on them.

Improvements also need to be made with respect to cooperation between individual stations and operational divisions, as well as between the railroads and shippers. We are not getting freight cars unloaded simply by penalizing the unorganized shipper through the assessment of multiple fines, such as were assessed against the South Slovakia Wood Pump and Paper Products Plant in Sturov, which since the beginning of the year has paid out nearly 35 million korunas in fines. Station masters are also going to be expected to work more creatively and to display more organizational skill in eliminating the consequences of substandard loading and unloading work. They must stay in touch with shippers on a day-to-day basis, and station masters and shippers must make a joint effort to find solutions to problems. This holds true in particular in view of the present complex situation. An effort needs to be made to find out where ample untapped resources still exist within the railroad transportation system, where this transportation system can be improved by means of the more even distribution of railroad cars, and where problems still exist in the areas of management and work scheduling. In a word, we have to find out where we are going to have to work harder.

And, having done so, this extra effort will have to be made as soon as possible.

11813

CSO: 2400

CZECHOSLOVAKIA

BRIEFS

SLOVENE PARLIAMENTARY DELEGATION--Prague, 25 Oct, CETEKA--Czechoslovak Foreign Trade Minister Andrej Barcak met in Prague today with Zvone Dragan, deputy chairman of the Executive Committee of the Slovenian Parliament and member of the League of Communists of Yugoslavia Central Committee. They discussed the promotion of trade and economic relations, especially industrial cooperation, cooperation on third markets, and possibilities of increasing the transit of Czechoslovak goods via the Port of Kopa. [Text] [Prague CTK in English 170 [as printed] GMT 26 Oct 78 LD]

PROTOCOL WITH ITALY--A session of the Italian-Czechoslovak Commission for Economic Cooperation took place in Rome. A protocol on the meeting contains a proposal for the setting up of a new working group which is to concern itself with the further intensification of cooperation in agriculture and food industry. The overall value of trade exchanges between both countries is around 250 billion lire annually. [Text] [Prague Domestic Television Service in Czech and Slovak 1800 GMT 20 Oct 78 LD]

FIRES IN CZECH LANDS--The 1,995 fires in the Czech Socialist Republic in the first 6 months of 1978 caused damage exceeding KCS100 million and claimed 49 lives. Another 274 persons were injured. The timely intervention of fire squads prevented losses of over KCS750 million. [Prague RUDE PRAVO in Czech 18 Oct 78 p 4 AU]

CSO: 2400

EAST GERMANY

MITTAG INTERVIEWED ON GDR-AUSTRIAN TRADE RELATIONS

East Berlin HORIZONT in German Vol 11 No 41, 1 Oct 78 p 5

[Interview with Guenter Mittag, Politburo member and Secretary, SED Central Committee: "Relations Between the GDR and Austria Are Expanding"]

[Text] HORIZONT: In the middle of September 1978, a GDR delegation under your leadership visited Austria. What was the aim of your trip?

Guenter Mittag: First I should like to stress that the GDR delegation followed an invitation from the Federal Government of Austria. Our visit served the further development of the relationship between the two states. It was our aim to deepen the cooperation between the GDR and the Federal Republic of Austria on the basis of the agreements reached at the occasion of the visit in the GDR of Dr Bruno Kreisky, the federal chancellor of Austria.

HORIZONT: What is your evaluation of the results of your trip, and how do you judge your talks with leading personalities of the Austrian government?

Guenter Mittag: We are fully justified to judge that the talks have been very useful for both sides and that the results can be evaluated as very positive.

During my stay in Vienna I had an occasion for an exchange of opinions with Austrian Federal Chancellor Kreisky. We spoke very frankly about political questions of the day and the further development of economic relations. During our discourse we agreed that the relationship between the GDR and Austria has been developing very well in all respects, and I once again stressed the interest of the GDR in a long-term and stable development of political and economic relations with Austria, just as Erich Honecker, the secretary general of the Central Committee of the SED and chairman of the State Council of the GDR, had stated in his conversation with Dr Kreisky in April. In this context, I can refer to the fact that Federal Chancellor kreisky emphasized that the peaceful coexistence of states with different

social systems is possible only on the basis of trustful cooperation and mutual esteem. We can thus accentuate the mutual interest in the further development of good relations on a long-term basis, especially in the sphere of economics. We desire an all-round good cooperation on the basis of the final declaration of Helsinki. We discussed in detail the intentions and capacities of the GDR for the consolidation of such relations with Austria. I can emphasize that Federal Chancellor Kreisky expressed his satisfaction about the progress in the development of relations between the two states since his visit in the GDR. He also gave expression to his satisfaction with the fact that activities, especially in the economic field, are very substantial and that work on the projects which he had discussed with State Council Chairman Honecker during his visit is progressing well.

During the trip I also had the opportunity for detailed talks with the president of the National Council, Anton Benya; the vice chancellor and minister of finance, Dr Hannes Androsch, and the federal minister for trade, crafts and industry, Dr Josef Staribacher. In these negotiations with representatives of the Austrian government we engaged in a thorough review of the consolidation of long-term and stable economic relations between the two states. In the course of this review, the positive development of economic relations, which has been characterized by a steady continuity, was given special emphasis. My Austrian discussion partners explained that these relations have become a stable factor for many enterprises of the Austrian economy. They made known their determination to expand and consolidate this cooperation.

It can be noted without any doubt that the opening of diplomatic relations between the GDR and Austria in 1972 and in particular the visit of Federal Chancellor Kreisky to the GDR have imparted new impulses to the mutual relations.

HORIZONT: You had the opportunity to conduct negotiations with leading representatives of the Austrian economy. Could you tell our readers something about this subject?

Guenter Mittag: The GDR delegation conducted numerous official talks and negotiations in Vienna with personalities of the Austrian economy and representatives of leading Austrian enterprises on the consolidation of long-term and stable economic relationships. We had very significant and constructive meetings with the president of the Federal Chamber of Business, Engineer Rudolf Sallinger, and with the managing directors of well-known large and medium-size industrial enterprises. In all these talks, expression was given time and again to the interest in the development on a stable basis of long-term scientific and technical-economic cooperation of a high level--I would say, of a new quality. Both sides emphasized unequivocally that trade cannot be a one-way street, but rather must be developed in a balanced way. In this context we conducted a thorough exchange of opinions on the necessity for both sides to provide ever new

impulses for the further consolidation of economic relations. During all these meetings both sides agreed in expressing their will to expand further the bilateral relations between the GDR and the Austrian Republic and to conclude appropriate agreements to this end.

HORIZONT: Could you explain in some detail, what agreements and contracts were reached with leading personalities of Austrian industrial enterprises during the visit of the delegation which you headed?

Guenther Mittag: Our daily press and our radio and television have already reported that during the stay of the GDR delegation an agreement on the extension of the trade and payments treaty with the Austrian Republic was signed. The existing trade and payments agreement was extended for another 5 years. This constitutes a significant step and an essential basis for the expansion of economic and scientific-technical cooperation and also for the consolidation of trade relations. It provides proof that the GDR is internationally esteemed as a productive and reliable partner. It is obvious that the relations between countries with differing social systems--and this applies especially to the economic relations--can develop well only to the extent that all impediments and barriers have been dismantled and that their cooperation is shaped to mutual advantage and benefit. With the Austrian Republic we have been tied for many years by stable economic relations which are still capable of further expansion. Thus it is our intention to more than double exports to Austria by 1985. The high level of the production capacity of both economies also offers a guarantee that cooperation in third markets can be even stronger than it has already been until now. On this question, too, we reached an understanding with the leading personalities of the Austrian government and economy.

Beyond this, the GDR and the Austrian Republic agreed that in 1979 we will arrange "Technical Days of Austria" in the GDR. These events are to serve to deepen the mutual knowledge of the scientific and technical level and the production capacity of the two economies. At the same time they will contribute to the discovery of new possibilities for the further consolidation of economic relations and technical and scientific cooperation.

HORIZONT: During your visit to Austria important economic contracts were signed. Could you give us some comments on the closing of these contracts?

Guenther Mittag: During our stay in Vienna a very large contract for the construction of a plant for heavy sheet metal in Ilseburg was placed with a noted Austrian industrial enterprise, the VOEST [United Austrian Steel Trust] Alpine.

This order consistently continues the good collaboration that has been maintained for many years between GDR industry and this leading Austrian enterprise. In fact, this contract has great significance not only for the cooperation between our two states, but also for raising the economic capacity of our country. The Austrian VOEST Alpine enterprise thereby

participates in an important investment undertaking of our socialist economy. The GDR, for its part, will be delivering products of its newly constructed industrial capacities to Austria.

It should be noted by the way that a time-tested cooperation between GDR industrial combines and foreign trade enterprises and the Austrian VOEST Alpine enterprise exists also in third markets, and there is full agreement that this work will be further developed and the scientific and technical cooperation will be strengthened. The potentialities of this collaboration are much larger and will in the future be exploited in a more resolute manner. In this context I should like to state that the representatives of the Austrian economy were very gratified about the fact that the GDR continues to develop fruitful collaboration not only with large enterprises, but also with medium-size industrial firms in Austria.

In this respect we take into account that the Austrian economy is shaped by the existence of a substantial number of efficient small and medium-size enterprises. The relations with these specialized and productive enterprises have developed well in the last few years and will be further strengthened also in the future.

It is noteworthy that some of these plants, especially in the machine-building industry, already participate in investment and rationalization undertakings in the GDR. During our talks the delegation was presented with the request to conclude agreements on mutual economic cooperation with more medium-size enterprises of the machine-building sector. Since this practice had already proven to be successful, we agreed in principle to this request.

The continued progress in the development of economic relations between the two states also finds expression in the conclusion of export contracts for the delivery of machinery and other products. At the same time a number of contracts was also signed on the import of machinery and consumer goods.

HORIZONT: From your presentations it would emerge that the visit of the GDR delegation was a successful one.

Guenter Mittag: Yes, it would be fully appropriate to say this. The meetings with leading personalities of the Austrian government and economy and the agreements and contracts concluded contribute to a further deepening of relations between the GDR and Austria in all spheres, just as had been agreed in the talks here in Berlin between the secretary general of the SED Central Committee and chairman of the State Council, Erich Honecker, and the federal chancellor of the Austrian Republic, Dr Kreisky, and as had also been the subject of negotiations with the chairman of the GDR Council of Ministers, Willi Stoph.

The interest of the GDR in a continuous, stable and long-term expansion of economic relations between the two states on the basis of peaceful coexistence and mutual advantage has met with the assent of our Austrian conversation partners. We are convinced that this mutual cooperation will be further consolidated and deepened to the advantage and benefit of our peoples.

9108

CSO: 2300

HUNGARY

PRESERVING FACTORIES SHORT ON FRUIT, VEGETABLES

Budapest MAGYAR HIRLAP in Hungarian 29 Oct 78 pp 1, 5

/Excerpts/ This year the harvest of heat-demanding plants was less than expected. Therefore, the output of preserving factories has decreased. So far, the farms have delivered 12,000 carloads less than anticipated, and the factories have been able to put up only 850 instead of the planned 3,300 carloads of peppers. The crop of peaches, cherries and morellos is also less than planned. However, as a compensation, yields of apricots and plums were greater than planned which will help overcome idle plant capacities to a certain extent.

The Budapest Preserving Factory has finished processing cucumbers and will finish with the tomatoes in a few days. Less than half the planned quantity of cucumbers was preserved, and tomatoes fell short of the target by 700 carloads. The factory received only 56 carloads of peppers instead of the expected 100. Processing of apples is just beginning, and since the crops are smaller than last year's, producers are expected to deliver correspondingly less. The cabbage crop was excellent, so there will be plenty of sauerkraut.

The Bekescsaba Preserving Factory has already exported 600 carloads of green peas and will sell 150 carloads of dehydrated onions instead of the planned 25 to capitalist markets. On the other hand, it processed barely 40 percent of the planned amount of peppers and tomatoes. The refrigerating plant at Bekescsaba quick froze 220 tons of green beans and 700 tons of cut beans. Two-thirds of the latter were exported to the FRG and England.

The Szeged Preserving Factory is making 800 fewer carloads of canned goods this year. There is a 15 percent lag, and utilization of capacity amounts to a bare 70 percent. This is worse than the national average. After the fruit and vegetable season, the factory will produce canned meat and fish. Here there is no shortage of raw materials.

The Kecskemet Preserving Factory will not achieve the planned production value either. Only 42,000 tons of tomatoes, 30 percent less than planned, were processed. The shortage of eating peppers and peppers for paste was

greater still. However, due to a record crop of plums, this plan was overfulfilled.

The Spice Pepper and Preserving Industry Enterprise is expected to meet its planned production goals, although the fact that producers delivered less eating peppers than anticipated caused problems. Spice peppers, the principal raw material of the enterprise are ripening slowly. Export prospects are good, and domestic consumers will receive adequate amounts of the ground product for their needs.

The problems of the Baja factory of the Hungarian Refrigerating Industry are much the same. Although exports up to the third quarter of the year amount to 16 carloads more to socialist countries and 80 carloads more to the domestic consumers than last year at this time, exports to capitalist partners have been only half as great. Most countries had good pea crops, so that competition is more intense. At the same time the crop of peppers used to make pritamin paste is very poor, and this accounts for 20 percent of the factory production value and 30 percent of its capitalist exports.

CSO: 2500

ROMANIA

PROBLEMS, SUGGESTIONS ARISING FROM NET PRODUCTION EXPERIMENT

Bucharest REVISTA DE STATISTICA in Romanian No 3 Mar 78 pp 1-4

[Article by Ioan Olteanu, director of the Brasov County Directorate for Statistics]

[Text] "We do not need to achieve a high overall production by all kinds of artifices while material production is falling behind. Each collective, each section must proceed from the need to ensure the achievement of material production, the growth of net production. This is the sole real base for radically improving economic activity, for raising the efficiency of industrial production." Nicolae Ceausescu.

The recent measures taken at the Plenary Session of the Central Committee of the Romanian Communist Party, held on 22-23 March 1978, to introduce, in the second half of this year, the value of the net production as a basic indicator of each unit and of the overall economic activity mark and outstanding stage in the overall comprehensive program for upgrading economic-financial management and achieving an economic-financial system which is capable of fulfilling the requirements for building a multilaterally developed socialist society.

Net production -- as an expression of the final product -- is meant to quantify the economic units' own effort more comprehensively and more realistically than other indicators.

By its multiple functions (to stimulate creativity, innovation, the growth of labor productivity, the reduction of costs per unit of product, and the saving, by all means, of what involves "materials expenditure") it has a complex nature, cumulating the essential qualitative effects of the work done.

As early as in November 1973, at the joint plenary session of the Central Committee of the Romanian Communist Party and of the Supreme Council for Economic and Social Development of Romania, Nicolae Ceausescu pointed out that "the indicator of overall production is much too general and involves many gaps, and even results

in stimulating the consumption of costly materials and an unjustified production turnover. In many cases overall production is exceeded while material production is not achieved. The essential factors involve estimating and monitoring the new output, the new value created by the economic activity. Therefore, we must introduce net production in our plans, as a main indicator.**

Beginning 1 January 1974, on the basis of the directives of the November 1973 plenary session and Decision No 1758/1973 of the Council of Ministers, this indicator was introduced experimentally at 64 industrial enterprises of countrywide importance, including three in Brasov County (Tractorul, Rulmentul, and Risnov Tool Enterprise), in which the release of the pay fund for workers was based on recalculating the planned fund with the degree of achieving the net production.

In 1975 this indicator became mandatory for nine enterprises in our county (Tractorul, Rulmentul, the Bolt Enterprise, the Risnov Tool Enterprise, Rasaritul Enterprise for Refractory Materials, the Knitwear Enterprise, the Zarnesti Enterprise for Coated Paper and Corrugated Board at Ghimbav, and the Baking Enterprise). The other industrial and construction units statistically survey and report this indicator without correlating it to remuneration.

Throughout this period of experiment and application of the net production indicator the Brasov RCP County Committee, through the County Council for Worker Control of Economic and Social Activity, the Financial-Banking Commission, college staff, and experts in centrals and enterprises conducted analyses and studies in these economic units in order to notify the ramifications and the steps required for upgrading.

On 15 July 1977, on the initiative of the Brasov RCP County Committee, a round table discussion was organized at the Brasov Rulmentul Enterprise, with this indicator as its topic. It was attended by executives and experts from the nine enterprises, party officials, representatives of ministries and central institutions (the State Planning Committee, the Central Directorate for Statistics, the Ministry of Finance, and the National Bank of the Socialist Republic of Romania), university staff, newsmen, and others. The discussion brought out the fact that this indicator is of great importance in terms of wise handling of materials expenditure, the growth of labor productivity and of economic efficiency. It is a direct link between the collective of working people in enterprises and the formation of the national income. Of course, some methodological improvements are required. They are related to the breakdown per months and sections, greater expeditiousness in monitoring implementation, especially in the case of materials costs.

* Nicolae Ceausescu, "Romania pe Drumul Construirii Societatii Socialiste Multilateral Dezvoltate" (Romania Along the Road of Building a Multilaterally Developed Socialist Society), Vol 9, Editura Politica, Bucharest, 1974, p 640.

The survey of the implementation of the net production plan indicates that in 1976 this plan was fulfilled 104.3 percent on a countywide scale (in the nine enterprises a 9.8 percent exceeding was reported, with all the units implementing their plan target). In 1977, the plan for all the county was achieved 101.6 percent and in January 1978, 103.2 percent.

In 1977, though the net production plan for all the county was fulfilled, some enterprises, however, did not complete the planned assignments. The main cause of the nonfulfillment was the exceeding of the planned production costs. A correlation with the indicator "expenditure for each 1000 lei of marketable output" indicated that the enterprises with nonfulfillment as to net production in 1977 did not comply with the expenditure for each 1000 lei of marketable output indicator either. Hence, the net production indicator far more conclusively reflects the local effort and the economic efficiency of the enterprise.

The experiment of using net production as an indicator for assessing production activity indicates that the enterprises, the collectives of working people have realized this indicator's role in upgrading organization and management in the implementation of the tasks for raising efficiency and reducing the consumption levels for raw materials, supplies, fuel and energy and cutting wastes and non-cost-effective expenses.

In this context, the net production indicator is a factor of stepping up the efforts to cut operating costs and especially to comply with the relative consumption levels in terms of fuel and energy.

The determination of the net production, included in operating costs, involves separating -- based on the sources of accounting data, in the main expense collecting accounts -- the primary elements of expenses involving live labor (remuneration for work, social security dues, and other factors) and those relating to the type of labor involved (raw materials and supplies, fuel, energy, amortization, and so on). We must point out that besides the primary factors of expenses which are distinctively reflected, some data express complex expenses which incorporate both live labor and involved labor. In order to break these down into simple elements of expenses the enterprises sometimes have to resort to documents of primary accounting.

In this context, some of the proposals advanced for upgrading the methodology of calculating the net production focus on the need for adjustments in accounting involving regrouping of accounts or introduction of analytical accounts separating the expenses in terms of live labor and materialized labor.

The introduction of these adjustments in accounting could be correlated to measures required for applying the project for the new classification of branches because most of the problems are similar.

The experiment also pointed out aspects which had an impact on the level of the indicator and which must be taken into consideration in the upgrading and finalization of the methodology of planning, monitoring, and reporting.

We feel that it is necessary to correlate all the plan indicators (especially the production indicators with the financial indicators), to ensure a greater stability of these indicators, the optimization of cooperation and the establishment of the calculation of their impact and of the variation of the unfinished production balance.

This indicator involves a very sound substantiation of the efficiency factors and compliance with the levels in terms of materials expenditure, consumption of metal, energy and fuel, on the scale of the enterprise and especially of the sections. When the correct and complete breakdown of expenses in sections and the monitoring of the implementation of material production for all different products with minimal costs have been achieved, the net production indicator will faithfully reflect each enterprise's own effort.

Under these conditions net production becomes the central and basic indicator in the system of plan indicators. This also results in eliminating the current trends of artificial growth of overall production with all its negative effects. In substantiating their net production plan the enterprises will proceed from the material production volume achieved and the planned increase of net production will be reflected both in the volume and in the quality level of the planned material production. This enhances the responsibility of all factors in decision-making, more rigorously substantiates the plan, and ensures a permanent emulation for new developments and innovation, amplifying materialized prospective thought into a mobilizing technical plan. Moreover, the levelling trends in incomes will disappear and self-management of units and the principles of ethics and equity in remuneration will be reinforced. In this context, the increase in the direct incomes of working people and state accumulations would closely follow the line of the growth of production and efficiency.

In our view, the essential problem which arises involves switching from the net production derived from the overall production -- to which most economists reproach the fact that it takes over the "deficiencies" of overall production -- to an overall production derived from net production, that is to a system of indicators which focus on net production, with the others having a derivative nature. This orientation, however, depends on the switch from production planning with the focus on the value basis to one with the focus on the material basis and from the preponderantly quantitative facets to the preponderantly qualitative facets, in the spirit of the decisions of the National Party Conference and the working session of the Central Committee of the Romanian Communist Party held on 7 March 1978.

The planned increase of net production at the enterprise level must contain the absolute increase in the remuneration fund in the limits allowed by the real growth of labor productivity and the absolute rise in the net income obtained, materialized mainly in the profit. Consequently, net production provides the prospect for ensuring an actual incentive for working people in direct relation to the quantity and quality of the efforts made and the increase in their involvement in the overall development, harmoniously combining the personal interests with the collective and overall interests. To the extent that a portion of the net income will be used for self-financing, there will be greater efforts of the enterprise to increase the net income. This will amplify the principle of self-management and of worker self-direction.

As for the economic units with cooperative relations, in order for net production to faithfully reflect the local effort it is necessary to clearly dissociate the previous material expenses, which are expressed by the value of the "cooperation received" from the "local" material expenses, which are the responsibility of the collective of the units involved. This would eliminate the factors which are now hindering greater specialization and co-operation in production.

It is our firm belief that as a result of the clarification of some problems posed by enterprises during the period of the experiment and the upgrading of the methodology, this indicator will meet the qualitative requirements of economic growth and will become a significant tool in planned economic management.

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BRIEFS

HOUSING FIGURES FOR 1977--The number of apartment buildings in our country increased last year by 1.8 percent, and the number of apartments, by 4.2 percent. Apartments in the socialized sector increased by almost 4 percent, and apartments in the private sector, by 7.7 percent. According to the latest data which the Federal Institute for Statistics gathered from the self-management interest associations for housing, about 70,585 apartments were added to all available housing, and 20,475 apartments were either torn down or converted to other uses. The largest number of such converted apartments was recorded in Bosnia-Hercegovina and in Slovenia. The housing administrated by the interest associations for housing includes 48,732 apartments built from the solidarity fund. This is a 30-percent increase over 1976. Solidarity in the construction of apartments is especially visible in Bosnia-Hercegovina, where the number of apartments built with solidarity funds doubled. The working people of Montenegro distinguished themselves also by solidarity in this very important area; about 90 percent more apartments were built here from solidarity funds than in 1976. About 11,534 apartments in the entire country were built or bought from these funds. At the beginning of this year also included in all available housing were 16,012 apartments intended for participants in the People's Liberation War. About 24.613 billion dinars were associated (centralized) in the self-management interest associations (for housing) in 1977, which is 40 percent more than previously. [Zagreb VJESNIK in Serbo-Croatian 9 Sep 78 p 5]

TOURIST EXCHANGE WITH USSR--Thanks to the Soviet and Yugoslav tourist agencies, about 150,000 Soviet citizens visited our country and as many of our tourists visited the USSR in 1978. However, only 600 Soviet guests visited Dalmatia. With a more successful cooperation, an increase of 20 percent is expected next year, which means that less than 1,000 guests from the USSR will visit the coast; and there will be a corresponding increase of our citizens traveling to the USSR. This number is still insignificant in comparison to the exchange of guests with other socialist countries. One of the reasons for such a situation is that tourist agencies are no longer capable of granting credits for travels abroad, and considering the high prices of travel arrangements for the USSR, the number of interested guests is considerably smaller than for other closer countries. In spite of an insignificant increase in tourist exchange up to now, a 50 percent increase

in tourist traffic is expected in the next Soviet 5-year plan as compared with the past period. The highest increase will be in 1980 during the Olympic games in Moscow, when 360,000 Yugoslavs are expected to visit the capital of the USSR. [Split SLOBODNA DALMACIJA in Serbo-Croatian 18 Sep 78 p 3]

TANKERS BUILT BY JAPANESE SHIPYARD--The Zadar Jugotanker, the work organization of the Yugoslav tanker fleet, received another ship recently. The bulk cargo ship, Novigrad, of 22,250 tons capacity, was launched in the Japanese Ishikawaima Harima shipyard. This is the fifth and last bulk carrier from the so-called Japanese program for the Zadar tanker fleet. Prior to the Novigrad, the Gospic, Molat, Rudo and Nin tankers were built. The Zadar Jugotanker has now at its disposal a fleet with the total capacity of over 750,000 tons. [Zagreb VJESNIK in Serbo-Croatian 19 Sep 78 p 4]

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